

UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF MASSACHUSETTS

LOUIS F. MATHESON JR., Derivatively on)
Behalf of Nominal Defendant, IBIS) CIVIL ACTION NO. 04-10341
TECHNOLOGY CORP.,)
Plaintiff,)
v.)
MARTIN J. REID, DIMITRI A. ANTONIADIS,)
ROBERT L. GABLE, LESLIE B. LEWIS,)
DONALD McGUINNESS, LAMBERTO)
RAFFAELLI, and COSMO TRAPANI,)
Defendants,)
and)
IBIS TECHNOLOGY CORP.,)
Nominal Defendant.)

NOTICE OF VOLUNTARY DISMISSAL

COMES NOW Louis F. Matheson, Jr., on behalf of himself and derivatively on behalf of Ibis Technology Corp. ("Ibis" or "Company"), by and through his undersigned counsel, and files this notice of dismissal of all of his claims, in their entirety and with prejudice, against all Defendants and Nominal Defendant pursuant to Rule 41(a) of the Federal Rules of Civil Procedure and for the following reasons:

1. This action was filed on February 19, 2004. On June 4, 2004, the Court administratively stayed this action pending resolution of Defendants' motion to dismiss the consolidated amended complaint in a related putative securities class action based

on the same underlying facts and circumstances See In re Ibis Technology Securities Litigation, Civ. No. 04-10446-RCL (D. Mass.).

2. On March 31, 2006, the Court dismissed the class action in part on the grounds the complaint failed to state certain claims. See Memorandum and Order on Magistrate Judge's Report and Recommendation on Defendants' Motion to Dismiss.

3. On July 26, 2006, the Court entered an Order continuing the administrative stay of this derivative action until final disposition of all claims in the class action.

4. In light of the stay of this matter, Defendants have not been required to file a responsive pleading.

5. During the administrative stay of this action, the parties exchanged information about the Plaintiff's claims, including information about Plaintiff not making a pre-filing demand on the Company's Board of Directors.

6. At this time and based on these circumstances, Plaintiff believes that it is not in the best interest of Ibis for this litigation to continue, and thus voluntarily seeks to dismiss this action.

7. Upon the entry of an order of dismissal, Defendants will pay to Plaintiff's counsel \$55,000.00 in respect of Plaintiff's analysis of the information provided by Defendants regarding, among other things, Defendants' contention that the litigation should be dismissed for failure to make demand on the Board of Directors before filing suit, the costs incurred by Plaintiff in bringing this litigation, and Plaintiff's agreement not to refile this derivative action.

8. Notice of dismissal shall be provided by press release.

DATED: March __, 2007.

s/William B. Federman

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Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those individuals indicated as non-registered participants on March 8, 2007.

s/William B. Federman